

Thank you Mr. Chairman. I appreciate the hard work you and Ranking Member Kanjorski are doing in ensuring that this committee exercises its duty looking into the collapse of Enron. With this Committee's jurisdiction over the accounting profession we have an important public duty to exercise our oversight role in the Enron matter. I also believe that as part of our investigation we must bring Ken Lay before our committee to complete our investigation. We have subpoena power and we should use it.

For 70 years we have operated on the principal of investors making decisions about securities based on an honest assessment of a company's financial health. This model has given us the finest and best-regulated markets in the world.

Unfortunately this model is now broken. Investors do not believe that they are receiving honest information about a company's fiscal position. Investors certainly weren't given the truth in the Enron case. We must fix this. We must restore investor confidence. The image of auditors being a rubber stamp for companies that are "cooking the books" must be done away with. We cannot allow a system that breeds such deep cynicism about corporate reporting to remain if we are to have capital markets that investors trust.

This committee is here to explore the best way to put integrity into the accounting profession. Ideas have been floated to have the government become an auditor for the auditors, or to take over all corporate auditing. Others have floated the idea of a robust industry self-regulator. In looking at all of these proposals we must ask the simple question: will it solve the problem? We need to ask our witnesses to tell us what we need must do to make disclosure meaningful.

I don't want to see Congress consider legislation just to look like it is doing something. I don't want us making a commotion just so we can say that action is being taken. I want to be able to go to my constituents and say not that we did "something," instead I want to say that we fixed the problem. I want to make sure that and Enron situation never happens again so that we can restore the confidence of investors in our markets. I look forward to exploring what is the best way to restore the integrity of our accounting professions and our capital markets.

Again, I want to thank Chairman Baker and Ranking Member Kanjorski for holding this important hearing. I look forward to working on this important issue.